

Payment Policies for Healthcare Services Provided to Injured Workers and Crime Victims

Chapter 13: Independent Medical Exams (IME)

Effective July 1, 2021



Link: Look for possible updates and corrections to these payment policies at:

https://lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/policy-2021



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Definitions

- ▶ Body areas: For IMEs, the following body areas are recognized:
 - Head, including the face,
 - Neck,
 - · Chest, including breasts and axilla,
 - Abdomen,
 - · Genitalia, groin, buttock,
 - Back, and
 - Each extremity.



Note: Each extremity is counted **once per extremity examined**, when determining standard or complex codes.

Bundled codes: Are procedure codes that are not separately payable because they are accounted for and included in the payment of other procedure codes and services.



Link: For the legal definition of Bundled codes, see: WAC 296-20-01002.

▶ By report (BR): A code listed in the fee schedule as BR doesn't have an established fee because the service is too unusual, variable, or new. When billing for the code, the provider must provide a report that defines or describes the services or procedures. The insurer will determine an appropriate fee based on the report.



Link: For the legal definition of By report (BR), see WAC 296-20-01002.

- ▶ Local code modifier mentioned in this chapter:
 - -7N X-rays and laboratory services in conjunction with an IME

When X-rays, laboratory, neuropsychological testing and other diagnostic tests are requested for the IME, identify the service(s) by adding the **modifier – 7N** to the usual procedure number.

-26 Professional component

13-2

Certain procedures are a combination of the professional (—26) and technical (—TC) components. This modifier should be used when only the professional component is performed. When a global service is performed, the —26 modifier can't be used.

Link: Procedure codes are listed in the L&I Professional Services Fee Schedules, Radiology and Laboratory Sections, available at: https://www.lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/.

- ▶ Organ systems: For IMEs, the following organ systems are recognized:
 - Eyes,
 - Ears, nose, mouth, and throat,
 - Cardiovascular,
 - Gastrointestinal,
 - Genitourinary,
 - Respiratory,
 - Musculoskeletal,
 - Skin,
 - Neurologic,
 - Psychiatric, and
 - Hematologic/ Lymphatic/ Immunologic.



Payment policy: Independent medical exams (IMEs)

▶ Who must perform an IME to qualify for payment

Only **department approved** IME Providers with an IME provider account number can bill IME codes.



Links: To obtain an application go to

https://lni.wa.gov/patient-care/provider-accounts/become-a-provider/#provider-account-application, *or*

For more information on **becoming an approved IME provider** or to perform impairment ratings:

- See the Medical Examiners' Handbook https://lni.wa.gov/forms-publications/F252-001-000.pdf, or
- Go to https://lni.wa.gov/patient-care/provider-accounts/become-a-provider/.

To receive email updates on IMEs, subscribe to the ListServ at: https://public.govdelivery.com/accounts/WADLI/subscriber/new?topic_id=WADLI_30.

▶ Services that can be billed

IME unique billing codes

Local billing code	Description and notes	Maximum fee
1104M	IME, addendum report. Requested and authorized by claim manager	\$129.33
	Addendum report for information that isn't requested in original assignment, which necessitates review of records. Additional charges aren't payable. Not to be used in place of a new IME, if requested by the insurer.	
	May only be used for review of job analysis when records are re- reviewed and a report attesting to that re-review is submitted with the job analysis.	
	The review of diagnostic testing or study results ordered by the examiner isn't payable under this code. Use appropriate CPT© codes to review as deemed necessary by the examiner.	
	Not payable with 1066M.	
1105M	IME Physical Capacities Estimate (<u>F242-387-000</u>)	\$34.52
	Must be requested by the insurer.	
	Bill under one examiner's provider account number for multi- examiner exams. (Bill once per exam.)	

Local billing code	Description and notes			
1108M	IME, standard exam – 1-3 body areas or organ systems			
	Use this code if there are only 1-3 body areas or organ systems examined for sufficient evaluation of the accepted condition(s).			
	L&I expects that these exams will typically involve at least 30 minutes of face-to-face time with the patient.			
	Use of this code requires:			
	 Records reviewed by examiner and a report included with detailed chronology of the injury or condition as described in the <u>Medical Examiners' Handbook</u>. 			
	 Physical exam directed only toward the affected body areas or organ systems. 			
	Appropriate diagnostic tests ordered and interpreted.			
	Impairment rating performed if requested.			
	 The IME report containing the required elements noted in the <u>Medical Examiners' Handbook.</u> 			
	 Report conclusions addressing how the examined body areas or organ systems relate to the accepted or contended work related injury(s) or condition(s). 			
	Review of up to 2 job analyses.			
	Note: Additional examiners use 1112M.			
1109M	IME, complex exam – 4 or more body areas or organ systems	\$768.92		
	Use this code if there are 4 or more body areas or organ systems examined for sufficient evaluation of the accepted condition(s).			
	L&I expects that these exams will typically involve at least 45 minutes of face-to-face time with the worker.			
	Use of this code requires:			
	 Records reviewed by examiner and a report included with detailed chronology of the injury or condition as described in the <u>Medical Examiners' Handbook</u>. 			
	 Physical exam directed only toward the affected body areas or organ systems. 			
	Appropriate diagnostic tests ordered and interpreted.			
	Impairment rating performed if requested.			
	The IME report containing the required elements noted in the <u>Medical Examiners' Handbook.</u>			
	 Report conclusions addressing how the examined body areas or organ systems relate to the accepted or contended work related injury(s) or condition(s). 			
	Review of up to 2 job analyses.			

Local billing code	Description and notes	Maximum fee
	Note: Additional examiners use 1112M.	
1111M	IME, no-show fee, per examiner Bill only if worker fails to show, and appointment time can't be filled. Isn't payable for no-shows of IME related services (for example, neuropsychological evaluations see billing code 1139M, and Functional Capacity Evaluations (FCE) see billing code 1140M). For more information, see: WAC 296-20-010.	
1112M	IME, additional examiner for Standard IME Use where input from more than 1 examiner is combined into 1 report. Includes: Record review, Exam, and Contribution to combined report. L&I expects these exams will typically involve at least 30 minutes of face-to-face time with the worker. Note: One examiner on IMEs with a combined report should bill a standard or complex exam code (1108M or 1109M).	\$615.14
1118M	IME by psychiatrist Psychiatric diagnostic interview with or without direct observation of a physical exam. L&I expects these exams will typically involve at least 60 minutes of face-to-face time with the worker. Includes: Review of records, other specialist's exam results, if any. Consultation with other examiners and submission of a joint report if scheduled as part of a panel. Report with a detailed chronology of the injury or condition, as described in the Medical Examiners' Handbook. Review of up to 2 job analyses. Also includes impairment rating, if applicable.	
1120M	IME, no-show fee, psychiatrist Bill only if worker fails to show and appointment time can't be filled Isn't payable for no shows of IME related services (for example, neuropsychological evaluations see billing code 1139M). For more information, see: WAC 296-20-010.	\$371.28

Local billing code	Description and notes	Maximum fee	
1122M	Impairment rating by an approved pain program	\$562.88	
	Program must be approved by insurer		
	Impairment rating must be requested by the insurer.		
	Must be performed by a doctor currently licensed in medicine and surgery (including osteopathic and podiatric physicians), dentistry, or L&I approved chiropractic examiners. (For more information, see: WAC 296-20-2010).		
	The rating report must include at least the following elements as described in the Medical Examiners' Handbook:		
	 MMI (maximum medical improvement), 		
	Physical exam,		
	Diagnostic tests,		
	Rating, and		
	Rationale.		
1123M	IME, communication issues	\$226.35	
	Exam was unusually difficult due to expressive problems, such as a stutter, aphasia or need for an interpreter in a case that required an extensive history as described in the report.		
	If an interpreter is needed, verify and record name of interpreter in report.		
	Bill once per examiner per exam.		
	Isn't payable with a no show fee (1111M or 1120M).		
1124M	IME, other, by report	By report	
	Requires preauthorization and prepay review:		
	 For State Fund claims, call Quality and Compliance at 360-902-6823, or 		
	 For self-insured claims, contact the self-insured employer or third party administrator. 		
	Not payable for no shows or failure on the provider's part to obtain an interpreter.		

Local billing code	Description and notes			
1125M	Physician travel per mile	\$5.53		
	Allowed when roundtrip exceeds 14 miles using Personally Owned Vehicles.			
	Code usage is limited to extremely rare circumstances, such as IMEs in correctional facilities.			
	Requires preauthorization and prepay review:			
	 For State Fund claims, call Quality and Compliance at 800-468-7870, or 			
	 For self-insured claims, contact the self-insured employer or third party administrator. 			
1126M	IME, additional examiner for Complex IME	\$768.92		
	Use where input from more than 1 examiner is combined into 1 report. Includes:			
	Record review,			
	Exam, and			
	Contribution to combined report.			
	L&I expects these exams will typically involve at least 30 minutes of face-to-face time with the worker.			
	Note: One examiner on an IME that has a combined report should bill a complex exam code. The IME report must meet the criteria required for a complex IME (1109M).			
1128M	Occupational disease report (Doctor's Assessment of Work Relatedness for Occupational Diseases)	\$209.32		
	Must be requested by insurer.			
	Examples of conditions which L&I considers occupational diseases are:			
	Occupational carpal tunnel syndrome,			
	Noise-induced hearing loss,			
	Occupational dermatitis, and			
	Occupational asthma.			
	The legal standard is different for occupational diseases from occupational injuries. Refer to RCW 51.080.140 on the definition for occupational disease.			
	This is a detailed assessment of work relatedness, with the exact content presented in the <u>Medical Examiners' Handbook</u> .			
	A doctor may bill this code only once for each worker.			

Local billing code	Description and notes	
1129M	IME, extensive file review by examiner	\$1.14
	Units of service are based on the number of hardcopy pages reviewed by the IME examiner on microfiche, paper, Claim and Account Center, or other medium.	
	Review of the first 400 hardcopy pages is included in the base exam fee (1108M, 1109M, 1112M, 1118M, or 1130M).	
	Bill for each additional page reviewed beyond the first 400 hardcopy pages.	
	Isn't payable with 1111M or 1120M.	
	Only the following document categories will be paid for unless the authorizing letter requests a review of all documents:	
	Medical files,	
	History,	
	Report of Accident,	
	Reopen Application, and	
	 Other documents specified by claim manager or requestor. 	
	Bill per examiner.	
	Not payable for review of duplicate documents.	
	Not payable with late cancellations (1134M, 1135M).	
	Note : To be eligible for payment, a detailed chronology of the injury or condition must be included in the report as defined by the Medical Examiners' Handbook.	
1130M	IME, terminated exam	\$400.97
	Bill for exam ended prior to completion.	
	Requires file review, partial exam by the examiner and report (including reasons for early termination of exam).	
	Bill per examiner.	
	Terminated exams don't include failure to obtain an interpreter. Terminated exams could be payable when the worker is uncooperative or becomes ill in the middle of the exam.	
	Note : A partial exam is face-to-face time between the examiner and the worker where, at a minimum, the worker's history is obtained.	

Local billing code	Description and notes	Maximum fee
1132M	Document printing of electronic medical records per page Payable only once per IME referral. Charges must be based on printing the following electronic records unless the authorizing letter requests a review of all documents: • Report of Accident, • Reopen application, • History, • Medical files, • Other documents specified by claim manager or requestor. Note: This fee isn't payable if paper copies of records are provided.	\$0.07 per printed page
1133M	IME, document-processing fee. Payable only once per IME referral. Note: This fee includes the preparation of documents for examiner review. The preparation of documents includes duplicate document removal.	\$67.09
1134M	IME late cancellation fee, per examiner Bill only if worker cancels the appointment within 3 business days prior to exam. Billable if appointment time can't be filled. (Business days are Monday through Friday.) Isn't payable for no shows of IME related services (for example, neuropsychological evaluations).	\$239.53
1135M	IME late cancellation fee, psychiatrist Bill only if worker fails to show and appointment time can't be filled and cancellation is within 3 business days of exam. (Business days are Monday through Friday.) Isn't payable for late cancellation of IME related services (for example, neuropsychological evaluations).	\$371.28
1139M	No show fee for missed neuropsychological testing. Must be scheduled or approved by department or self-insurer as part of an independent medical examination. (For more information, see: WAC 296-20-010(5).) This code is payable only once per independent medical examination assignment. Must notify department or self-insurer of no-show as soon as possible.	\$1,006.51

Local billing code	Description and notes	Maximum fee	
	Bill only if worker fails to show and appointment can't be filled.		
1140M	No show fee for missed Functional Capacity Evaluation (FCE).	\$321.97	
	Must be scheduled or approved by department or self-insurer as part of an independent medical examination. (For more information, see: <u>WAC 296-20-010(5)</u> .)		
	This code is payable only once per independent medical examination assignment.		
	Must notify department or self-insurer of no show as soon as possible.		
	Bill only if worker fails to show and appointment can't be filled.		

Local billing code	Description and notes		
Modifier	X-rays and laboratory services in conjunction with an IME		
-7N	When X-rays, laboratory, neuropsychological testing and other diagnostic tests are provided with an exam, identify the service(s) by adding the modifier – 7N to the usual procedure number.		
	Link: Procedure codes are listed in the L&I Professional Services Fee Schedules, Radiology and Laboratory Sections, or the other payment policies available at: https://lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/ .		
Modifier -26	Radiology services in conjunction with an IME-Professional Component	N/A	
	Certain procedures are a combination of the professional (–26) and technical (–TC) components. Modifier -26 must be used when only the professional component is performed. When a global service is performed, neither modifier can be used.		
	Payment will be made at the established professional component (modifier –26) rate for each specific radiology service. The professional interpretation or reinterpretation of all imaging studies reviewed must be documented within the IME report. Additionally, modifier –7N must be appended to all imaging study billings. When modifier –26 is appended, it must appear prior to –7N.		
	Link: Fees are listed in the L&I Professional Services Fee Schedules, available at: https://lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/ .		
	Additional information on documentation requirements is listed under the Payment Policy "Radiology Reporting Requirements for IMEs" below.		



Note: See definition of **Bundled codes** in Definitions at the beginning of this chapter.

Multiple claim codes

Local billing code		
1136M	IME, two claims included in evaluation.	\$114.05
	Medical examination includes second claim to be evaluated by the medical examiner.	
	This code is used in addition to the primary IME exam code (1108M, 1109M, 1112M, 1118M, or 1130M) only.	
	This can't be reported as a stand-alone code.	
	Bill once per examiner.	
	Note: This must be preauthorized by the State Fund claim manager or self-insured employer/third-party administrator.	
1137M	IME, three claims included in evaluation.	\$228.08
	Medical examination includes second and third claims evaluated by the medical examiner.	
	This code is used in addition to the primary IME exam code (1108M, 1109M, 1112M, 1118M, or 1130M) only.	
	This can't be reported as a stand-alone code.	
	Bill once per examiner.	
	Note: This must be preauthorized by State Fund claim manager or self-insured employer/third party administrator.	
1138M	IME, four or more claims included in evaluation.	\$342.13
	Medical examination includes second, third, and four or more claims evaluated by the medical examiner.	
	This code is used in addition to the primary IME exam code (1108M, 1109M, 1112M, 1118M, or 1130M) only.	
	This can't be reported as a stand-alone code.	
	Bill once per examiner.	
	Note: This must be preauthorized by the State Fund claim manager or self-insured employer/third-party administrator.	

Note: All interpreter requests must be scheduled through interpretingWorks. For additional information regarding interpreter services, see Chapter 14: Language Access Services.

▶ Requirements for billing

State Fund (L&I) provider account number requirements for IMEs

For IMEs, examiners need one IME provider account number for each payee they wish to designate.

An IME examiner who isn't working through any IME firms will need just one IME number, which will also serve as their payee number.

Billing for IME's

Use only the IME number/NPI for the code description	The following codes may be billed by the IME firm or the IME examiner, depending on who renders the service. (see code description above for more details)		
1104M	1120M	1135M	1124M
1105M	1123M	1136M	1132M
1108M	1125M	1137M	1133M
1109M	1128M	1138M	
1111M	1129M	1028M	
1112M	1130M	1038M	
1118M	1134M	1066M	
		99441-99443	

Bills for testing or other services performed in conjunction with an IME must be submitted by the provider who rendered the service (WAC 296-20-125(3)(o)). These services include:

- X-ray, diagnostic laboratory tests in conjunction with IME (append modifier –26 and –7N).
- Neuropsychological evaluations and testing CPT® codes 90791, 96101, 96102, 96118, 96119. (For more detailed information on neuropsychological services, refer to Chapter 17: Mental Health Services.)
- Functional Capacity Evaluations (FCE) 1045M

Standard and complex coding

The exam should be sufficient to achieve the purpose and reason the exam was requested.

Choose the code based on the number of body areas or organ systems that need to be examined to fully evaluate the accepted condition(s) or the condition(s) contended as work related.

Be sure the report documents the relationship of the areas examined to the accepted or contended conditions.

The definitions of **body areas** and **organ systems** from the Current Procedural Terminology (CPT®) book must be used to distinguish between standard and complex IMEs.

Note: See definitions of **Body areas** and **organ systems** in Definitions at the beginning of this chapter.

IMEs conducted at a correctional facility are payable at three times the standard rate (1108M or 1109M) of an IME, if the examiner travels to the facility. Bill using **1124M**. Examiners may also bill travel for IMEs conducted at a correctional facility; bill using **1125M**, which requires prior authorization.

Payment limits

Limit on total scheduled exams per day

L&I has placed a limit of 12 independent medical examinations scheduled per examiner per day. For psychiatrist examiners, the limit is 8 per day. A psychiatric examiner must spend at least 60 minutes of face-to-face time with the worker. This limit includes IMEs scheduled for State Fund and self-insured claims. The applicable codes include:

- 1108M IME, standard exam 1-3 body areas or organ systems,
- 1109M IME, complex exam 4 or more body areas or organ systems,
- 1111M IME, no show fee, per examiner,
- 1112M IME, additional examiner for IME,
- 1118M IME by psychiatrist,
- 1120M IME, no show fee, psychiatrist,
- 1122M Impairment rating by an approved pain program,
- 1130M IME, terminated exam,
- 1134M, late cancellation fee,
- 1135M, late cancellation fee, psychiatrist,
- 1136M, IME, two claims included in evaluation,

- 1137M, IME, three claims included in evaluation, and
- 1138M, IME four or more claims included in evaluation.



Payment policy: Radiology reporting requirements for IMEs

▶ Requirements for billing

Documentation for the professional interpretation of radiology procedures is required for all professional component billing. When billing for the professional component of radiology services, bill using **modifier –26** and **modifier –7N**.



Note: Documentation refers to charting of justification, findings, diagnoses, and test result integration, including a comparison between repeat radiology studies when applicable.

IME providers who read imaging studies they order in relation to an IME, or reinterpret imaging studies previously performed, are required to document their findings within the IME report. Each imaging study must be separately documented in its own section and include all of the following:

- Date the imaging study was performed, and
- The anatomic location of the procedure and type of procedure (lumbar spine plain films, abdomen CT, cervical spine MRI, etc.), and
- Specific views (AP, lateral, oblique, weight bearing, axial, sagittal, coronal, with or without contrast, etc., as applicable), and
- When ordering imaging studies, a brief sentence describing the reason for the study, such as:
 - "Lower back pain; evaluate for degenerative changes and rule out leg length inequality."
 - "Neck pain radiating to upper extremity; rule out disc protrusion," and
- Description of, or listing of, imaging findings:
 - Advanced imaging reports should follow generally accepted standards to include relevant findings related to the particular type of study, and
 - Radiology reports on plain films of skeletal structures should include evaluation of osseous density and contours, important postural/mechanical considerations, assessment of any joint space abnormalities, and assessment of any important abnormal soft tissue findings, and

- Radiology reports on chest plain films should include assessment of lung fields, bronchovascular markings, apices, tracheal air shadow, mediastinal and hilar contours, cardiovascular contours, costophrenic recesses, any abnormalities below the diaphragm, and assessment of any important osseous abnormalities shown incidentally (ribs, clavicles, scapulae, proximal humeri, spine), and
- Imaging impressions, which summarize and provide significance for the imaging
 findings described in the body of the IME report. If the same imaging study was
 performed on multiple dates of service, the provider must document a comparison
 between the studies, in sequential order, noting any significant changes that occurred.
 For example:
 - For a neck comparison where there is a difference between the original imaging study and the most recent findings, the impression could be: "A comparison of this recent study from 7/1/2019 is made to the study of 5/1/2018. 5/1/2018 which noted narrowing of the disc space at C-5 with bony protuberance at right facet causing impingement. New image from 7/1/2019 shows bony protuberance has grown 5mm and is contributing to increased impingement of the nerve root. This appears to be a continuation of a natural growth process."

In addition to the above information, when reinterpreting imaging studies, the IME provider must document whether they are or aren't in agreement with original interpretation of the imaging study.



Note: Documentation such as "X-rays are negative" or "X-rays are normal" don't fulfill the reporting requirements described in this section and the insurer **won't pay** for the professional component in these circumstances.

Payment limits

Reinterpretation of imaging studies

Reinterpretation of imaging studies may only be billed once per panel exam. The reinterpretation is only payable for studies related to the accepted or contended condition.

In addition, services must be billed with the correct CPT® code for the specific imaging study reinterpreted, along with **modifier** -26 and **modifier** -7N.

Example of how to bill for IME services including reinterpretation of imaging studies

The following example demonstrates how to bill when IME providers perform a reinterpretation of imaging studies. This example isn't reflective of the documentation requirements for an IME.

- Example: A panel IME is performed on 7/1/19 meeting the documentation criteria for a complex IME. The IME providers review the following imaging studies, all related to the accepted conditions:
 - 1 − 3 view knee x-ray performed 6/1/17
 - 2 2 view shoulder x-rays performed 6/1/17 and 8/2/18
 - 1 Shoulder MRI without contrast

The correct billing for the services is:

Examiner 1

Line item	Procedure code (and modifiers)	Number of Units
1	1109M	1
2	CPT® 73562-26- 7N	1
3	CPT® 73030-26- 7N	2
4	CPT® 73221-26- 7N	1

Examiner 2

Line item	Procedure code (and modifiers)	Number of Units
1	1126M	1



Note: Reinterpretation is only payable once per panel exam.

Links: Related topics

If you're looking for more information about	Then go here:
Administrative rules for Billing procedures	Washington Administrative Code (WAC 296-20-125): http://apps.leg.wa.gov/wac/default.aspx?cite=296-20-125
Administrative rules for IME no shows	Washington Administrative Code (WAC) 296-20-010: http://apps.leg.wa.gov/wac/default.aspx?cite=296-20-010
Administrative rules and other Washington state laws for impairment ratings	Washington Administrative Code (WAC) 296-20-19000 through WAC 296-20-690 available in WAC 296-20: http://apps.leg.wa.gov/WAC/default.aspx?cite=296-20 Revised Code of Washington (RCW) 51.32.080: http://apps.leg.wa.gov/RCW/default.aspx?cite=51.32.080
Application to become an IME provider	L&I's website: https://lni.wa.gov/forms-publications/F245-046- 000.pdf
Becoming an L&I IME provider	L&I's website: https://www.lni.wa.gov/patient-care/treating- patients/independent-medical-exams-ime-and- impairment-rating-information/
Billing instructions and forms	Chapter 2: Information for All Providers
Fee schedules for all healthcare professional services	L&I's website: https://lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/ .
Mental Health Services	Chapter 17: Mental Health Services
Receiving email updates on IMEs	Subscribe to L&l's ListServ: https://public.govdelivery.com/accounts/WADLI/subs-criber/new
Performing impairment ratings	Medical Examiner's Handbook: https://lni.wa.gov/forms-publications/F252-001-000.pdf

▶ Need more help? Call L&I's Provider Hotline at 1-800-848-0811 or email PHL@Ini.wa.gov